

PURPOSE AND SCOPE

JEA is requesting Letters of Interest (LOI) from companies interested in providing renewable energy to JEA. In 2004, JEA issued a "Request for Proposals for Renewable Energy Generation" that resulted in 16 responses and is currently in negotiations with two of these projects – a landfill gas project and a yard waste biomass project. JEA has a continued commitment to evaluate and develop renewable energy projects and is issuing this LOI to allow more flexibility and creativity in the solicitation process. The process will include: 1) soliciting Letters of Interest, 2) a discovery phase with firms that submit the LOI, and 3) a Request For Proposal process for those projects selected for further review from the LOIs. JEA is requesting that any entity interested in developing a renewable energy project for JEA submit a Letter of Interest by April 23, 2007.

GENERAL INFORMATION

JEA owns, operates and manages the electric system established by the City of Jacksonville, Florida in 1895. JEA also owns, operates and manages Jacksonville's water and sewer system which was established in 1880 and transferred from the City of Jacksonville in June 1997. JEA is Florida's largest municipally owned electric utility and the eighth largest in the United States. JEA is also the 113th largest of all 3,000 plus electric utilities in the country. JEA currently serves over 400,000 electric accounts, 294,000 water accounts and 220,000 wastewater accounts in Jacksonville and adjacent counties.

The governing body of JEA consists of seven members appointed by the Mayor and confirmed by the City Council. JEA is not subject to regulation by the Florida Public Service Commission except for certain environmental, health and electric safety issues, energy conservation, power plant and transmission line siting, territorial, and electric rate structure matters.

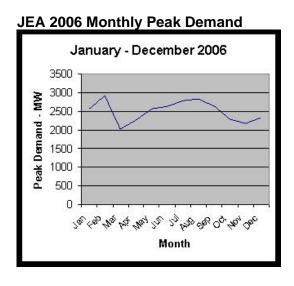
The JEA's electric system includes generation, transmission, interconnection and distribution facilities. The wholly-owned generating facilities, located on three plant sites in the City, consist of two dual petroleum coke/coal fired circulating fluidized bed steam generating units, one dual oil/gas fired steam turbine-generator unit and seven oil fired and four gas/oil fired combustion turbine-generator units, with a combination installed capacity of 2,531 Winter MW. In addition, JEA is entitled to 50% of the capacity of Units 1 and 2 of the St Johns River Power Park, a coal-fired, steam electric generating station, jointly owned by JEA and Florida Power and Light Company ("FP&L"), providing 638 net MW of capacity. JEA has 200 MW of the capacity of Unit 4 of the Robert W. Scherer Electric Generating Plant, a coal-fired, steam-electric generating station, also jointly owned by JEA and FPL, located near Forsyth, Georgia.

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JEA has direct interconnections with FPL, Seminole Electric Cooperative, Inc and the Georgia Integrated Transmissions System which includes Georgia Power Company, Oglethorpe Power Corporation and Municipal Electric Authority of Georgia.

JEA recently completed the 2007 Ten Year Site Plan which evaluates both JEA's demand-side and supply-side alternatives to meet future capacity and energy needs. The Plan, while subject to change, currently shows that over the next ten years, JEA may build 573 MW of peaking units between 2009 and 2011 and a 236 MW base load unit (currently identified as Taylor Energy Center) in 2012. The forecasts show JEA has a winter peaking system but summer peaks follow closely as indicated by the following graph.



PROJECT REQUIREMENTS

The purpose of this process is to request Letters of Interest for 1 MW to up to 300 MWs of renewable energy generation. Contracts resulting from the solicitation process may result in a long term contract for up to 20 years.

- 1. Projects must result in energy delivered to JEA's service territory. Renewable projects producing less than 10 MW are acceptable only if sited in the JEA service territory or interconnected directly to JEA.
- 2. Renewable energy projects may include:
 - Solar Photovoltaic
 - Solar Thermal Electric
 - Biomass including wood waste, landfill gas, digester gas, and biofuels derived from organic sources including municipal solid waste
 - Geothermal
 - Wind
 - Low Impact Hydropower
 - Fuel cells utilizing renewable fuels
 - Ocean and tidal energy

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- Any other technologies utilizing fuel/energy sources deemed to be renewable in nature
- 3. JEA prefers to receive all Renewable Energy and Environmental attributes.
- 4. JEA traditionally owns and operates its own generating capacity. For purposes of renewable energy projects, JEA would prefer to maximize the investment tax opportunities and expertise of private entities and is not interested in owning or joint ownership of these projects. If the submitter can demonstrate why JEA should consider alternative ownership options, please indicate this in the Letter of Interest.
- 5. Likewise, JEA is not interested in renewable energy projects utilizing JEA's generating units, other facilities or land. If the submitter can demonstrate why JEA should consider these options, please indicate this in the Letter of Interest.
- 6. JEA has found that renewable fuel supply commitments are a key component to the success of a renewable energy project. Submitters are strongly encouraged to elaborate or provide any fuel supply information or commitments.
- 7. JEA customers have some of the lowest rates in the nation. JEA's current residential customer charge averages 8.365 cents per KWH. Submitters are encouraged to consider dispatchability, if feasible, or different energy prices for on-peak versus off-peak times. JEA's peak/off-peak and seasonal variations are as follows:

JEA peak and non-peak periods and seasonal variations:

November – March

On-Peak: Monday – Friday (H.E. 0600 to 1000) and (H.E. 1800 to 2200)

Off-Peak: All other hours

April - October

On-Peak: Monday – Friday (H.E.1200 to 2100)

Off-Peak: All other hours

JEA's 2007 Estimated Avoided Cost Data is as follows:

Oct-Mar (on-peak/off-peak) – 5.54/3.39 cents/kWh

Apr – Sep (on-peak/off-peak) – 6.01/2.88 cents/kWh

8. The submitter will be responsible for all costs involving interconnection with the local utility or transmission system and transmitting energy to JEA.

SUBMITTAL CONTENT

JEA does not expect firm pricing or other binding contractual commitments in the Letter of Interest. However, the following information, submitted as thoroughly as possible, will assist JEA in evaluating your Letter of Interest and ultimately, requesting that you submit a full proposal.

- 1. Technology Description including current level of commercial deployment
- 2. Location of project and site description (demonstrate site control if possible)
- 3. Ownership structure
- 4. Energy Output

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- a. Peak net capacity (MW)
- b. Net energy production (monthly and annual)
- c. Identify whether energy or capacity will be provided to other entities
- d. Base Load or Dispatch
- 5. Fuel Source describe all fuel sources including non-renewable fuels and any fuel commitments or options. If none, describe the timeframe and approach to secure fuel supplies.
- 6. Commercial operation date and duration of contract
- 7. Describe transmission plans and point of delivery to JEA transmission or distribution system.
- 8. Describe any projected emissions, wastes, water usage or other environmental impacts.
- 9. Identify any performance guarantees or risk mitigation offered by submitter.
- 10. Submitter's qualifications and experience including operations company, if known.
- 11. Submitter's financial qualifications
- 12. Expected busbar costs (delivered to the JEA grid) in \$/MWH or \$/MW; identifying seasonal or time variations if applicable.

LETTER OF INTEREST REVIEW PROCESS

JEA will review the LOIs and may request meetings with submitters to further discuss the proposed projects. Participants during this interview phase are responsible for costs associated with attending these meetings. JEA will evaluate the LOIs on the following criteria, in no particular order:

- Technical viability
- Fuel availability
- Dispatchability
- Developer's experience

- Developer's financial stability
- Site control
- Expected energy costs

LOIs will be evaluated on a point system and the top projects meeting the evaluation criteria will be selected to submit proposals.

LETTER OF INTEREST SUBMITTALS

All questions and submittals related to this request shall be directed to:

JEA Attn: Kim Owens JEA Clean Power Coordinator

21 West Church St, T-12 Jacksonville, FL 32202 (904) 665-4673 (904) 665-7386 (fax) owenkc2@jea.com

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Alternate Contact:

Mary Guyton-Baker System Planning Engineer 904-665-6216 guytml@jea.com

All questions must be communicated by mail, fax or email. If further explanation is necessary, JEA will notify each submitter. The Letter of Interest should be submitted via email (preferred) to Kim Owens at owenkc2@jea.com.

JEA expects the following schedule:

March 22, 2007 Issue Request for Letters of Interest

April 23, 2007 Letters of Interest Due

May 2007 Discovery Phase

July 1, 2007 Issue Request for Proposals

JEA is a municipal utility and thereby subject to the requirements of Florida Law with regards to public information. All information will be considered public information unless otherwise specified. If specified, it must comply with Chapter 119 of Florida Statutes.

Thank you for your interest.

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